

# COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 58 because it conflicts with HEA 1134-2006 without properly recognizing the existence of HEA 1134-2006, has had Engrossed Senate Bill 58 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 58 be corrected as follows:

- 1           Page 2, delete lines 35 through 42, begin a new paragraph and insert:
- 2           "SECTION 3. IC 5-10.4-4-8, AS ADDED BY HEA 1134,
- 3           SECTION 28, IS AMENDED TO READ AS FOLLOWS
- 4           [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) This subsection applies to a
- 5           member who retires before July 1, 1980. A member who had completed
- 6           four (4) years of approved college teacher education before voluntary
- 7           or involuntary induction into the military services is entitled to credit
- 8           for that service as if the member had begun teaching before the
- 9           induction. A member who serves in military service is considered a
- 10          teacher and is entitled to the benefits of the fund if before or during the
- 11          leave of absence the member pays into the fund the member's
- 12          contributions. Time served by a member in military service for the
- 13          duration of the hostilities or for the length of active service in the
- 14          hostilities and the necessary demobilization time after the hostilities is
- 15          not subject to the one-seventh rule set forth in section 7 of this chapter.
- 16          (b) This subsection applies to a member who retires after June 30,
- 17          1980. A member who completed four (4) years of approved college
- 18          teacher education before voluntary or involuntary induction into
- 19          military service is entitled to credit for the member's active military
- 20          service as if the member had begun teaching before the induction. A
- 21          member who serves in military service is considered a teacher and is
- 22          entitled to the benefits of the fund if the following conditions are met:
- 23               (1) The member has an honorable discharge.
- 24               (2) Except as provided in subsection (e), the member returns to
- 25               active teaching service not later than eighteen (18) months after
- 26               the completion of active military service.

1 (3) The member has at least ten (10) years of in-state service  
2 credit.

3 The time served by a member in military service for the duration of the  
4 hostilities or for the length of active service in the hostilities and the  
5 necessary demobilization time after the hostilities is not subject to the  
6 one-seventh rule set forth in section 7 of this chapter. However, not  
7 more than six (6) years of military service credit may be granted under  
8 this subsection.

9 (c) This subsection applies to a member who retires after May 1,  
10 1989. A member who had begun but had not completed four (4) years  
11 of approved college teacher education before voluntary or involuntary  
12 induction into the military services is entitled to service credit in an  
13 amount equal to the duration of the member's active military service if  
14 the following conditions are met:

15 (1) The member has an honorable discharge.

16 (2) Except as provided in subsection (e), the member returns to a  
17 four (4) year approved college teacher training program not later  
18 than eighteen (18) months after the completion of active military  
19 service and subsequently completes that program.

20 (3) The member has at least ten (10) years of in-state service  
21 credit.

22 The time served by a member in active military service for the length  
23 of active service in the hostilities and the necessary demobilization is  
24 not subject to the one-seventh rule set forth in section 7 of this chapter.  
25 However, not more than six (6) years of military service credit may be  
26 granted under this subsection.

27 (d) This subsection applies to a member who retires after May 1,  
28 1991, and who is employed at a state institution of higher education. A  
29 member who had begun but had not completed baccalaureate or  
30 post-baccalaureate education before voluntary or involuntary induction  
31 into military service is entitled to the member's active military service  
32 credit for the member's active military service in an amount equal to the  
33 duration of the member's military service if the following conditions are  
34 met:

35 (1) The member received an honorable discharge.

36 (2) Except as provided in subsection (e), the member returns to  
37 baccalaureate or post-baccalaureate education not later than  
38 eighteen (18) months after completion of active military service  
39 and subsequently completes that education.

40 (3) The member has at least ten (10) years of in-state service  
41 credit.

1 The time served by a member in active military service for the length  
 2 of active service in the hostilities and the necessary demobilization is  
 3 not subject to the one-seventh rule set forth in section 7 of this chapter.  
 4 However, not more than six (6) years of military service credit may be  
 5 granted under this subsection.

6 (e) The board shall extend the eighteen (18) month deadline  
 7 contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines  
 8 that an illness, an injury, or a disability related to the member's military  
 9 service prevented the member from returning to active teaching service  
 10 or to a teacher education program not later than eighteen (18) months  
 11 after the member's discharge from military service. However, the board  
 12 may not extend the deadline beyond thirty (30) months after the  
 13 member's discharge.

14 (f) If a member retires and the board subsequently determines that  
 15 the member is entitled to additional service credit due to the extension  
 16 of a deadline under subsection (e), the board shall recompute the  
 17 member's benefit. However, the additional service credit may be used  
 18 only in the computation of benefits to be paid after the date of the  
 19 board's determination, and the member is not entitled to a  
 20 recomputation of benefits received before the date of the board's  
 21 determination.

22 (g) Notwithstanding any provision of this section, a member is  
 23 entitled to military service credit and benefits in the amount and to the  
 24 extent required by the federal Uniformed Services Employment and  
 25 Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later  
 26 amendments.

27 (h) Subject to this section, an active member may purchase not more  
 28 than two (2) years of service credit for the member's service on active  
 29 duty in the armed services if the member meets the following  
 30 conditions:

31 (1) The member has at least one (1) year of credited service in the  
 32 fund.

33 (2) The member serves on active duty in the armed services of the  
 34 United States for at least six (6) months.

35 (3) The member receives an honorable discharge from the armed  
 36 services.

37 (4) Before the member retires, the member makes contributions to  
 38 the fund as follows:

39 (A) Contributions that are equal to the product of:

40 (i) the member's salary at the time the member actually  
 41 makes a contribution for the service credit;

(ii) a rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; and

(iii) the number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(i) The following apply to the purchase of service credit under subsection (h):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

**(j) This subsection applies to a member who retires after June 30, 2006. A member may not receive credit under this section for service for which the member receives service credit under the terms of a military or another governmental retirement plan."**

Delete pages 3 through 6.

(Reference is to ESB 58 as printed February 17, 2006.)

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Representative Whetstone, Chairperson

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Representative Pelath, R.M.M.

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Representative Buell, Author